



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

May 13, 2010

**H.R. 4865**  
**Federal Employees and Uniformed Services Retirement**  
**Equity Act of 2010**

*As ordered reported by the House Committee on Oversight and Government Reform  
on April 14, 2010*

H.R. 4865 would allow any employee of the federal government or member of the uniformed services who is eligible to make contributions to the Thrift Savings Plan (TSP) to contribute to it any payment received for accumulated and accrued annual or vacation leave. Employees of the United States Postal Service or the Postal Regulatory Commission could also make such contributions. The contributions for such payments would be subject to the annual limits that otherwise apply for overall TSP contributions of individual taxpayers (currently \$16,500 for individuals ages 49 or younger and \$22,000 for individuals ages 50 or older).

Because income taxes are tax deferred on contributions to regular (non-Roth) TSP accounts, and earnings within the accounts would not be taxable, the anticipated increase in contributions would initially result in lower revenues from income taxes. The staff of the Joint Committee on Taxation estimates that the legislation would reduce revenues by \$317 million over the 2010-2020 period, increasing deficits by that amount. The estimate is based on an assumed enactment date of July 1, 2010. The Congressional Budget Office estimates that H.R. 4865 would not affect direct spending. Pay-as-you-go procedures apply because enacting the legislation would affect revenues.

H.R. 4865 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in revenues that are subject to those pay-as-you-go procedures are shown in the following table.

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**CBO Estimate of Pay-As-You-Go Effects for H.R. 4865, as ordered reported by the House Committee on Oversight and Government Reform on April 14, 2010**

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	By Fiscal Year, in Millions of Dollars												2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020	
<b>NET INCREASE IN THE DEFICIT</b>														
Statutory Pay-As-You-Go Impact	7	17	21	23	25	28	31	35	39	43	48	121	317	

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The CBO staff contact for this estimate is Barbara Edwards. This estimate was approved by Frank Sammartino, Assistant Director for Tax Analysis.